

SENATE BILL 415

By Lundberg

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, Part 7, relative to local option sales and
use tax.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-703(b), is amended by deleting
the following sentence:

After initial adoption of the tax by a county or a city or town therein, the tax rate
may be increased by a city, town or county under the same procedure
and substituting instead the following new sentence:

After initial adoption of the tax by a county or a city or town therein, the tax rate
may be increased by a city, town, or county under the same procedure except
that approval of the voters as provided in § 67-6-706 is not required, and the
resolution or ordinance increasing the tax rate shall be adopted by a two-thirds
(2/3) vote of the legislative body of the city, town, or county, as applicable.

SECTION 2. Tennessee Code Annotated, Section 67-6-705, is amended by deleting
subsections (b) and (c) and substituting instead the following:

(b) Nothing in this part requires an increase in the privilege tax rates authorized
in this part to be subject to the ratification of the voters in the manner provided in § 67-6-
706, except that the resolution or ordinance increasing the tax rate shall be adopted by a
two-thirds (2/3) vote of the legislative body of the city, town, or county, as applicable.

(c) Any amendment to any existing tax rate, and any change in the limitation on
the amount of the tax made in accordance with § 67-6-702(a)(2), shall not be subject to
approval of the voters of the city or county. Any resolution or ordinance amending the

existing tax rate shall be subject to adoption by a two-thirds (2/3) vote of the legislative body of the city, town, or county, as applicable.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.